

**REGISTERED COMPANY NUMBER: 09760575 (England and Wales)**

**REGISTERED CHARITY NUMBER: 1165153**

**REPORT OF THE TRUSTEES AND  
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019  
FOR**

**ROYAL NAVY RUGBY UNION**

Gibson Whitter Limited  
Statutory Auditors  
Larch House  
Parklands Business Park  
Denmead  
Hampshire

WEDNESDAY



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**ROYAL NAVY RUGBY UNION**

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FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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# **ROYAL NAVY RUGBY UNION**

## **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 September 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **CHAIRMAN'S OVERVIEW**

This report covers the year to 30 September 2019.

I am increasingly comfortable with the new governance arrangements established by my predecessor. The charity's objectives are demonstrably being met, although continued success is not without risk. Recognising the operational pressures on the Naval Service, and most significantly on its personnel, the quality and quantity of community rugby may be close to the maximum reasonably achievable; but that does not mean efforts should be relaxed.

The annual Army v Navy match remains the foundation of all the charity seeks to achieve: without it funding continues to look fragile. Another sell-out fixture at Twickenham in May 2019 masks concerns – probably increasing – that local support is not guaranteed and following on from helpful changes made to the 2019 arrangements, it seems likely further flexibility will be needed to keep the event viable.

The women's representative side continues to struggle to be competitive with the other Services. However, there were some encouraging signs in the 2019 season; and it is to be hoped that the innovation of holding the women's game against the Army on the Twickenham undercard in 2020 acts as an impetus for further development.

Turnover of trustees remains healthy and we will welcome two new Trustees in 2020. Navy Rugby Limited – under new leadership – remains a key supporter of the charity's aims and objectives.

## ROYAL NAVY RUGBY UNION

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### OBJECTIVES AND ACTIVITIES

##### Objectives and Aims

The explicit objectives endorsed by the RNRU support the over-riding aim to 'promote and foster' the game within the Royal Navy as follows:

- Promoting the physical efficiency of members of the Naval Service by providing facilities and other encouragement for all ranks thereof to participate in the game of rugby football;
- Making grants for charitable purposes that benefit either directly or indirectly members both past and present of the Naval Service;
- Promoting amateur sport for the benefit of the public in particular by encouraging the participation of young people in the game of rugby football.

##### Achievements and Performance Against Objectives

A summary of the RNRU's achievements against our strategic plan as outlined in last year's Report and Accounts can be found in the table below.

##### We said that we would do

Deliver assured governance and regulation, with the financial strength to maintain and increase investment in the game to drive performance and community participation.

By the end of the 5 years we will have introduced Services rugby, at grass roots level, to 7000 more men and 700 more women whilst creating a player pathway from club level to the highest representative level.

Additionally, we aim to be the Services' leading rugby team, across the Senior XV, U23 and Sevens sides by 2022, with the Women's side achieving parity with at least the RAF.

We will simultaneously deliver and host the best rugby events, including the Commonwealth Nations Rugby Cup, and other competitions throughout the structured season.

##### We achieved

Deputy Director of Operations now fully embedded and increasing strength in depth from both a financial and regulatory perspective. We have reached our Reserve level in line with our current policy, which protects the RNRU from a strategic shock in the event of the Union's biggest risk, Army v Navy income is lost/dramatically reduced. We have increased the funding levels in both the community and representative area.

Statistics gathered in Year 2 still indicate that we are on the correct trajectory to surpass the target for men and to achieve the target for women reflected in the Strategic Plan. These will be reviewed again at the end of Year 3, along with a complete review of the RNRU Strategic Plan, with a view to either maintaining the headmark or creating a higher stretch target.

With the U23s winning the Inter Service championship for 3 out of the last 4, we continue to demonstrate dominance in this area of representative rugby. The Men's Senior XV are competitive on the field but not sufficiently so to win championships regularly and the Women continue to develop with more players playing at a higher standard and more grass root/development opportunities.

This year's Marine Nationale fixture was hosted in the UK by the RNRU. The feedback from the full gamut of parties from the French senior military attendees, sponsors and the general public was that it was an excellent event and set a marker for future events.

## **ROYAL NAVY RUGBY UNION**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019**

#### **OBJECTIVES AND ACTIVITIES (continued)**

##### **Achievements and Performance Against Objectives (continued)**

###### **We said that we would do**

Wherever possible, as part of that growth path we will look for further opportunities to share financial benefits within the broader church of Services' sport, with appropriate checks and balances in place to evidence how those benefits are used.

###### **We achieved**

The budget set for 2019/20 has once again incorporated grants to RN Rugby League and further increased donations to United Services Portsmouth and Devonport Services Rugby Clubs.

#### **Purpose of the RNRU**

The Royal Navy Rugby Union has a long and distinguished history dating back to 1906. On its formation rugby was fairly embryonic, with ratings and other ranks not eligible to play. However, the Officers saw the games' value to Naval Service ethos and after the RN were able to select from all their personnel in 1920 there was a burgeoning of service rugby clubs, including Devonport Services and United Services Portsmouth, formed to provide playing opportunities in RFU league structures. Whilst in the early years these latter clubs were restricted to the use of service personnel approximately 30 years ago membership was opened to the local civilian community, who now form a significant element of the club, providing a valuable opportunity for outreach to the local community through sport. The adult section of both clubs support 3 senior sides and one Colts team plus a vibrant youth section from U7 to U16. In addition, Devonport Services maintain a Ladies Youth team. RN ships and units are also active and engage in matches around the globe whilst the Union supports five representative teams (Senior XV, Women, U23, Veterans and Sevens) to provide the pinnacle of Navy sport. In the modern day the Union remains relevant, upholds the values of the Royal Navy in building partnerships with other navies around the world in support of RFU initiatives.

As both a registered charity and Constituent Body of the Rugby Football Union, we are committed to promoting participation and enjoyment of rugby at all levels within the Naval Service. We are consolidating our position, having professionalised much of what we do, with success in the long running Inter Services Championship (particularly in the U23 area), and specifically the annual fixture against the Army at Twickenham remaining a central pillar of our strategy. At the same time we are developing our structures and facilities and investing heavily in grass roots and community rugby, as this will provide the foundation upon which we can grow our representative teams. The provision of a Women's Development side is providing increased opportunities for emerging players who otherwise would not be sufficiently proficient to break into the hitherto single female representative side. Elsewhere, the provision of coaching and refereeing courses is resulting in greater exposure to sport for all age groups.

#### **Public Benefit**

The charity exists to support the military efficiency of the Naval Service as a key component of the nation's Armed Forces and thereby to the defence of the nation. The Trustees have complied with the duty in Section 17 of the Charities Act 2011 and given due regard to the Charity Commission guidance on public benefit. In addition the RNRU provides public benefit by enhancing and promoting military efficiency, strengthening the moral component of the Royal Navy's and Royal Marines' esprit de corps, which in turn brings tangible benefit to the public:

- the maintenance of maritime security with regard to the UK home bases and their people;
- the Naval Service's global commitment to the furtherance of world peace and stability;
- the protection of lawful maritime trade and the prevention of unlawful acts upon the high seas;
- the contribution to enhanced morale and retention of Naval Service personnel.

## **ROYAL NAVY RUGBY UNION**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019**

#### **FINANCIAL REVIEW**

##### **Financial position**

The structure of the Charity has now been in operation for three years; the charitable activities are managed by the RNRU and Navy Rugby Ltd (NRL), a totally owned subsidiary of the charity RNRU, operates the trading activities.

These accounts cover the 12-month period to the 30 September 2019. This is the first discreet 12-month period since the financial year end was moved to 30 September, in 2018, to give sufficient time to draw up the budget following the closure of the Army Navy match accounts.

##### **Statement of Financial Activities (SOFA)**

The Consolidated SOFA for the 12-month period ended 30 September 2019 has generated a similar performance to the previous financial year (to the 30 September 2018), although it has been for a 12-month rather than 13-month period. Income increased slightly to £1,454K for 2019 compared with £1,422K for 2018. Expenditure also experienced a small increase to £1,368K from £1,349K in 2018. Spending on charitable activities increased marginally as a result of recruiting an additional staff member. The overall net income for 2019 was £86K which increased from £73K reported for 2018.

The financial activities of the RNRU charity alone, excluding the trading activities of NRL, shows income of £614K for 2019 compared with £623K for 2018. Income is primarily derived from the donation from Navy Rugby Limited. Expenditure at £528K was slightly lower than last year (£550K) with 95% of that expenditure attributable to charitable activities, as in previous years.

##### **Balance Sheet**

The consolidated group's net assets increased by £86K from £493K at 30 September 2018 to £579K at 30 September 2019. This was predominately due to an increase in current assets, specifically cash at the bank.

The charity's standalone balance sheet reflects the same increase in net assets but was mostly due to a significant decrease in creditors.

At 30 September 2019 the net assets of £579K were made up of general charitable funds of £529K (£460K at 30 September 2018) and designated funds of £50K (£33K 30 September 2018). Designated funds have been allocated to provide £21.5K for the next Commonwealth Navies Rugby Cup (CNRC) and £18.3K for representative teams' overseas tours in 2020 plus £10K for the International Defence Rugby Competition (IDRC) 2019.

##### **Review of the Year**

As previously, the year to 30 September 2019 has been another successful one for RNRU. The Army v Navy match at Twickenham remains very popular, with yet another sell-out match and tickets being sold out within the first day; this single match remains the key revenue generator for the group. The net surplus from the 2019 match, income less costs, was £539K (£519K in 2018, £348K in 2017 and £406K in 2016). Sponsorship generated a net income of £101K, down from £129K in 2018 due to the loss of a major sponsor. Net surplus from sales of merchandise increased slightly from £15K in 2018 to £19K this year.

In 2018 the decision was taken by the Trustees to host the Navy v RAF match at The Stoop, Twickenham to try to attract a wider audience. For the second year in succession the match was held at The Stoop. Although interest has increased the match still falls a long way short of the popularity of the Army v Navy match. As a result the match produced a reduced loss of £9K compared to the previous year's loss of £17K. Holding the Navy v RAF match at a major premiership ground is part of the ambition to raise its profile.

## ROYAL NAVY RUGBY UNION

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### FINANCIAL REVIEW (continued)

##### Governance and Administration

The Board of Trustees guided by the Investment Finance and Audit Committee (IFAC) approve the annual budget set by the Executive Committee. The accounting services for the RNRU have been outsourced to the Royal Navy and Royal Marines Charity.

##### Risk

The Executive Committee, the IFAC and the Trustee Board consider financial risks. The key risk remains the continued success of the Army v Navy match as the primary bearer of all income streams. The current over subscription for tickets, speed of sale, coupled with a revised contract has reduced the likelihood of this risk coming to fruition. A combination of sufficient insurance against cancellation and adequate reserves are in place to cover at least one year of operating cost.

##### Investments

The RNRU has a single investment, £100k invested in the trading subsidiary NRL. A long-term investment policy is kept under review and could be re-established in the future if sufficient excess funds have been generated.

##### Investment Restrictions

The Trustees do not consider ethical investment restrictions to be appropriate or in conflict with the objectives of the RNRU.

##### Reserves Policy

The Trustees have a reserves policy to set aside sufficient free reserves to meet the needs of current beneficiaries, whilst remaining sustainable for future generations. The reserves should give sufficient comfort that the charity can pursue its objectives and smooth out any unexpected fluctuations in charitable expenditure or shortfalls in income. The Trustees agreed a new Reserves Policy in April 2018 based on free reserves of providing a minimum of £325k that would cover the costs of a basic season's rugby. This policy was reviewed in March 2019 and it was decided to have a minimum free-reserves level of £300K and a maximum of £500K. The free-reserves have been steadily growing these past 3 years.

The Trustees also agreed an objective to rebuild the Free Reserves over the longer term because of an increased risk identified to funding. Additionally, this would allow the Trustees to consider larger capital projects when such opportunities arise. The Trustees have agreed that increasing free reserves to this level will not be to the detriment of delivering additional or enhanced charitable activities if required. This level, plus direct in-season funding from the RFU and our Patrons, would be enough to fund a full rugby season, as now. The main funding each year is very heavily reliant on the previous year's Army v Navy match profit yet the risk to this event has increased in recent years due to several factors.

The charity's free reserves are calculated by taking total unrestricted funds and deducting designated reserves, investments held for the long term and operational tangible fixed assets. The calculation of free reserves at 30 September 2019 is shown in the table below:

	£'000
Total unrestricted Funds	579
Less: Designated Fund for CNRC	(32)
Less: Designated Fund for Overseas Tours	(18)
Less: Long term Investments	(100)
Less: Operational Tangible Fixed Assets	(10)
<b>Free Reserves</b>	<b>419</b>

# ROYAL NAVY RUGBY UNION

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019

### FINANCIAL REVIEW (continued)

#### Reserves Policy (continued)

The Trustees are pleased that the free reserves at 30 September 2019 are still growing and above the minimum free reserves target set out in the reserves policy. The free reserves at 30 September 2019 are £419K, up from £347k in 2018, which is half-way between the minimum target of £300K and the aspirational target of £500k. The Trustees intention is to continue to steadily increase the level of free reserves up to the target of £500K over a number of years without unnecessarily restricting expenditure on charitable activities.

#### Principal Risks and Uncertainties

The Trustees of the RNRU monitor the principal risks faced by the Charity via a risk matrix that is scrutinised by the IFAC and discussed by the Board at least annually. In the opinion of the Trustees, the Charity has established systems that, under normal circumstances, should allow the risks identified by them to be mitigated to acceptable levels.

The risk matrix identifies the major risks to which the RNRU is exposed under the following headings: Strategic; Financial; and Operational. Controls have been identified to limit each of these risks. The top three risks and the mitigation for them are detailed in the table below. All are high impact risks but as a result of the mitigation in place the residual risks are considered to be reduced to medium levels.

Risk	Mitigation
There is a risk that ineffective governance leads to a loss of charitable status and/or ability to deliver objectives (including perception that we are not fulfilling our responsibilities as a charity).	1- Maintain a transparent relationship between Board of Trustees, IFAC and Executive Committee. 2- A formal roles and responsibilities matrix has been constructed to clearly define the relationship and division between executive business and Charity (Trustee) business. 3- Maintain a routine of checks and audits to minimise the risk.
There is a risk that the Army v Navy match may no longer be held at Twickenham.	1- Contractual arrangement between RFU, AvN Match Committee and Babcock (sponsor) has been reviewed and a 4-year contract is in place from 2019. 2- The RNRU should always retain at least one season running costs (circa £235k and a reserves policy to increase reserves to £500k) and review annually. 3- Maintain a firm grip/continued development of the marketing strategy for the A v N such that we continue to draw the crowds and the general public are aware of the fixture, the costs and why it is such good VfM. 4- Maintain a healthy and proactive relationship with Twickenham HQ to keep the RNRU in their sights (for all the right reasons). 5- Maintain a proactive Single Service public perception. 6- Work with Met Police, RFU and Richmond Council to mitigate concerns of all parties.
There is a risk that the RFU withdraw support/links with the RNRU and/or the RNRU loses Constituent Body status.	1- Maintain a constant awareness of RFU business as it affects the RNRU. 2- Maintain regular PROACTIVE engagement with the RFU and capitalise upon opportunities where the RNRU can 'add' benefit. 3- Targeted influence campaign directed towards key RFU personnel. 4- Maintenance of National Constituent Body status for the RNRU. 5- As per Strategic Risk 002 – vis a vis matches at Twickenham.



## **ROYAL NAVY RUGBY UNION**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019**

#### **PLANS FOR THE FUTURE**

- Continue to develop community level rugby, specifically in Scotland and the North of England;
- Concentrate on consolidating the small gains made in the Women's game at Grass Roots and continue to develop the 15s and 7s sides;
- Enhance duty of care for protection for players at all levels;
- Build greater strength in depth through the use of structured induction and the use of contingency plans.

With the governance element of the charity now on solid footing, and with the Union into the second year of its 5 year strategy (which will be reviewed when the RFU re-issue its revised strategic plan), aligned with the RFU's overarching strategy for game development, it is determined that the head marks set out in the charity remain fit for purpose:

Delivering assured governance and regulation, with the financial strength to maintain and increase investment in the game to drive performance and community participation, such that by the end of the 5 years we will have introduced Services rugby, at grass roots level, to 7000 more men and 700 more women whilst creating a player pathway from club level to the highest representative level. Additionally, we aim to be the Services' leading rugby team, across the Senior XV, U23 and Sevens sides by 2022, with the Women's side achieving parity with at least the RAF. We will do this whilst, simultaneously, delivering and hosting the best rugby events, including the Commonwealth Nations Rugby Cup, and other competitions throughout the structured seasons. Wherever possible, as part of that growth path we will look for further opportunities to share the financial benefits with a broader church of Services' sport, with appropriate checks and balances in place to evidence how those benefits are used.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational Structure**

The organisation, management and governance of the RNRU have evolved further in this reporting period.

The governing body of the RNRU is the Board of Trustees, which comprises up to 8 members and meets twice a year to review charitable objectives, strategy, risk register and performance. Trustees are elected or appointed for a three-year term, and may, subject to Board approval, serve for further three-year terms. Each new trustee is provided with an information pack about the RNRU and their responsibilities. Additional training is also provided where necessary. The President and Secretary attend all Board of Trustees meetings.

The Board is supported by an Investment, Finance and Audit Committee (IFAC) sub-committee, with specific terms of reference and functions delegated by the Board and with a Trustee as chairman, appointed by the Board. An independent member (qualified accountant) attends all meetings together with the Executive Committee Vice Chair.

**ROYAL NAVY RUGBY UNION**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational Structure (Continued)**

The Board decide on the strategy of the Union, with implementation of strategy and day-to-day operational management of activity in support of its objectives delegated by the Board to the Executive Committee. The Executive separately, and independently, act as the delivery arm of NRL.

The Executive Committee consist of the following appointments:

Chairman	Director of Communications
Vice Chairman	Treasurer
RFU Council Member	Director of Community Rugby
Director of Rugby	Volunteers Manager
Secretary & Director of Operations	Deputy Director of Operations
Director of Marketing	

The majority of RNRU officials are serving Royal Navy/Royal Marines personnel, who undertake the roles on a voluntary basis on top of their high pressure military appointments. The exception is the RNRU Secretary, a full-time MOD Civil Servant. Five pensionable staff are employed on a regular basis and funded by the Charity: Deputy Director of Operations, Assistant Secretary, a Rugby Development Officer and two Community Rugby Coaches serving the Eastern Region (Portsmouth based) and Western Region (Plymouth based). All vacancies within the RNRU are advertised on the RNRU website inviting volunteers, both serving and civilians, to be considered for selection; all Executive Committee appointments are re-appointed at the AGM.

**Management and Administration**

The day to day control and administration of the RNRU is delegated to the Chairman of the Executive Committee. The Executive Committee are tasked with achieving the objectives set by the trustees in their current five-year strategic plans.

**Volunteers and Related Parties**

The Trustees all gave their services voluntarily and received no remuneration for their activities, other than travel and incidental expenses. The serving members of the Board undertake their RNRU duties as volunteers in addition to their normal line duties.

**Navy Rugby Limited**

Navy Rugby Limited (NRL) has now operated for three full accounting periods as a separate but wholly owned subsidiary of the Royal Navy Rugby Union (RNRU). It is a VAT registered company whose objective is to generate income for the RNRU through trading activities including, but not limited to, receipts from ticket sales to Navy Rugby games, the sale of merchandise associated with Navy Rugby and the support of RNRU sponsors. NRL has three directors: the shareholding director (a member of the Trustee Board of the RNRU), a managing director (the member of the RNRU Executive Committee responsible for Marketing) and an independent Chairman. The RNRU Company Secretary and Treasurer also perform the appropriate professional duties for NRL, which has a separate bank account and operates as a separate entity in legal and financial terms from the RNRU. Established with a £100,000 share issue from which all trading activity is resourced, all its operating profits are donated to the RNRU on completion of its annual audit. The NRL Board of Directors meet at least twice a year and oversight is maintained on the RNRU Board of Trustees by inviting the Chairman to report its activities at Trustee Board meetings. In addition, the managing director of NRL reports to the RNRU Trustee Board's Investment, Finance and Audit sub-committee.

## **ROYAL NAVY RUGBY UNION**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2019**

#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

##### **Governing Document**

The RNRU is controlled by its governing document, its Memorandum and Articles of Association dated 3 September 2015, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company Number**

09760575 (England and Wales)

##### **Registered Charity Number**

1165153

##### **Registered Office**

HMS Temeraire  
Burnaby Road  
Portsmouth  
Hampshire  
PO1 2HB

##### **Patron**

HM The Queen

##### **President**

Vice Admiral B Key CBE

##### **Trustees**

The Trustees in this period were:

Rear Admiral M J Parr CB

- Chairman

Mr A Bujalski

Mr M H Connolly

Captain D M George Royal Navy

- retired 24 December 2018

Mr J M R Saunders Watson

Mr J B Inverdale

Brigadier E A Murchison DSO MBE Royal Marines

Captain A Kellet MBE Royal Navy

Commander S Oakley Royal Navy

- appointed 24 December 2018

**ROYAL NAVY RUGBY UNION**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**REFERENCE AND ADMINISTRATIVE DETAILS (continued)**

**Auditors**

Gibson Whitter Limited  
Statutory Auditors  
Larch House  
Parklands Business Park  
Denmead  
Hampshire  
PO7 6XP

**Legal Advisors**

Wilsons Solicitors LLP  
Alexandra House  
St Johns Street  
Salisbury  
SP1 2SB

**Bankers**

National Westminster Bank PLC  
130 Commercial Road  
Portsmouth  
Hampshire  
PO1 2EJ

**ACKNOWLEDGEMENTS**

The Board wish to place on record their gratitude to all those who have contributed to the on-going success of the RNRU. These are too numerous to mention in full and the list that follows is just a representative sample of our growing band of supporters.

Peter Cooper VW  
Babcock International Group PLC  
ESS (part of the Compass Group UK)  
MLS  
SAAB  
SA-Group  
i-Pro

MBDA  
BMT  
Rolls Royce  
QinetiQ  
Thales  
Canterbury of New Zealand  
Sapphire 7

**ROYAL NAVY RUGBY UNION  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Royal Navy Rugby Union for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 27 February 2020 and signed on its behalf by:



Rear Admiral M J Parr CB- Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION**

### **Opinion**

We have audited the financial statements of Royal Navy Rugby Union (the 'charitable company') for the year ended 30 September 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF ROYAL NAVY RUGBY UNION**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities set out on page eleven, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

  
Gibson Whitter Limited

Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Larch House

Parklands Business Park

Denmead

Hampshire

PO7 6XP

Date:

**ROYAL NAVY RUGBY UNION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

		Year ended 30.9.19 Unrestricted funds £	Period 1.9.17 to 30.9.18 Total funds £
	Notes		
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	3	23,334	31,232
<b>Charitable activities</b>	6		
Royal Navy Rugby		15,095	7,094
Community Rugby		14,052	15,208
Other trading activities	4	1,401,204	1,368,430
Investment income	5	-	24
<b>Total</b>		<b>1,453,685</b>	<b>1,421,988</b>
 <b>EXPENDITURE ON</b>			
Raising funds	7	865,573	825,946
<b>Charitable activities</b>	8		
Royal Navy Rugby		307,503	326,365
Community Rugby		194,670	196,662
<b>Total</b>		<b>1,367,746</b>	<b>1,348,973</b>
 <b>NET INCOME/(EXPENDITURE)</b>		<b>85,939</b>	<b>73,015</b>
 <b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>492,945</b>	<b>419,930</b>
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<b>578,884</b>	<b>492,945</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.



**ROYAL NAVY RUGBY UNION**

**CONSOLIDATED BALANCE SHEET  
AT 30 SEPTEMBER 2019**

	Notes	Group 30.9.19 £	Group 30.9.18 £	Charity 30.9.19 £	Charity 30.9.18 £
<b>FIXED ASSETS</b>					
Intangible assets	15	-	-	-	-
Tangible assets	16	10,233	13,199	10,233	13,199
Investments	17	-	-	100,000	100,000
		<u>10,233</u>	<u>13,199</u>	<u>110,233</u>	<u>113,199</u>
<b>CURRENT ASSETS</b>					
Stocks	18	50,212	28,905	-	-
Debtors	19	91,653	158,101	551,341	581,496
Cash at bank		<u>531,556</u>	<u>368,601</u>	<u>66,747</u>	<u>123,729</u>
		673,421	555,607	618,088	705,225
<b>CREDITORS</b>					
Amounts falling due within one year	20	(104,770)	(75,861)	(149,438)	(325,480)
		<u>568,651</u>	<u>479,746</u>	<u>468,650</u>	<u>379,745</u>
<b>NET CURRENT ASSETS</b>					
		568,651	479,746	468,650	379,745
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>578,884</u>	<u>492,945</u>	<u>578,883</u>	<u>492,944</u>
<b>NET ASSETS</b>		<u>578,884</u>	<u>492,945</u>	<u>578,883</u>	<u>492,944</u>
<b>FUNDS</b>	21				
Unrestricted funds		<u>578,884</u>	<u>492,945</u>	<u>578,883</u>	<u>492,944</u>
<b>TOTAL FUNDS</b>		<u>578,884</u>	<u>492,945</u>	<u>578,883</u>	<u>492,944</u>

The notes form part of the financial statements

**ROYAL NAVY RUGBY UNION**

**BALANCE SHEET - CONTINUED  
AT 30 SEPTEMBER 2019**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 30 September 2019.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

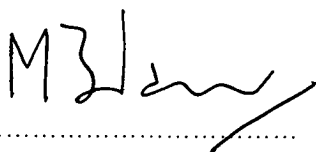
The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 27 February 2020 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M J Parr', followed by a long horizontal flourish.

Rear Admiral M J Parr CB- Trustee

**ROYAL NAVY RUGBY UNION**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Notes	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	165,159	60,558
Interest element of hire purchase and finance lease rental payments		<u>-</u>	<u>-</u>
<b>Net cash provided by (used in) operating activities</b>		<u>165,159</u>	<u>60,558</u>
<b>Cash flows from investing activities:</b>			
Purchase of intangible fixed assets		-	-
Purchase of tangible fixed assets		(2,204)	(1,000)
Interest received		<u>-</u>	<u>24</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(2,204)</u>	<u>(976)</u>
<b>Cash flows from financing activities:</b>			
Capital repayments in year		<u>-</u>	<u>-</u>
<b>Net cash provided by (used in) financing activities</b>		<u>-</u>	<u>-</u>
<b>Change in cash and cash equivalents in the reporting period</b>		162,955	59,582
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>368,601</u>	<u>309,019</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>531,556</u></u>	<u><u>368,601</u></u>

**ROYAL NAVY RUGBY UNION**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	85,939	73,015
<b>Adjustments for:</b>		
Depreciation charges	5,170	5,402
Interest received	-	(24)
Interest element of hire purchase and finance lease rental payments	-	-
(Increase)/ decrease in stocks	(21,307)	(4,748)
Decrease/ (increase) in debtors	66,448	(5,935)
Increase / (decrease) in creditors	28,909	(7,152)
<b>Net cash provided by (used in) operating activities</b>	<u>165,159</u>	<u>60,558</u>

## ROYAL NAVY RUGBY UNION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the charitable company and its subsidiary.

The financial statements of the subsidiary undertaking included within the consolidated figures are adjusted where appropriate, to conform to Group accounting policies.

##### **Significant judgements and estimates**

In preparing these financial statements, the trustee directors have made the following judgements:

- Determine whether financial instruments such as intra- group loans are basic or complex. These decisions depend on an assessment of the terms of the financial instrument.

## ROYAL NAVY RUGBY UNION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 1. ACCOUNTING POLICIES- continued

##### **Income**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised where there is entitlement, the receipt is probable and the amount can be measured with sufficient reliability. Such income is only deferred when:

- the donor specifies that the grant or donation must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from activities to generate funds, such as sponsorship, merchandise sales, patrons scheme, Army v Navy match, Navy v RAF match and investment income are recognised on a receivable basis.

Income from charitable activities relates to Community Rugby grants and courses. Such income is only deferred when:

- the donor specifies that the grant must only be used in future accounting periods; or
- the donor has imposed conditions which must be met before the charity has unconditional entitlement.

##### **Volunteers and donated services**

The value of services provided by volunteers is not incorporated into these financial statements.

Where goods or services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity.

##### **Expenditure**

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods or services are supplied.

- Raising fund costs are those costs incurred in attracting voluntary income.
- Charitable activities include expenditure associated with the Royal Navy's rugby union teams (first XV, under 23s, women's, veterans and sevens teams) and community rugby activities and include both the direct costs and support costs relating to those activities.
- Support costs and governance costs include central functions and have been allocated to activities on a basis consistent with the use of resources.

##### **Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

## ROYAL NAVY RUGBY UNION

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 1. ACCOUNTING POLICIES - continued

##### **Intangible fixed asset**

Intangible fixed assets represent the charity's website. The website has been capitalised as it is capable of taking income directly. The website will be amortised, using the straight line basis, over its estimated useful of three years.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Player training equipment	- 20% on cost
Motor vehicles and cycles	- 25% on reducing balance, straight line over 1 year
Medical Equipment	- 20% on cost

Individual fixed assets costing £500 or more are capitalised at cost.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is computed on the first in first out basis. Net realisable value is the estimated proceeds from the sale of stock less any future costs to be incurred.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

##### **Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

# ROYAL NAVY RUGBY UNION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 2. FINANCIAL ACTIVITIES OF THE CHARITY

The financial activities shown in the consolidated statement includes those of the Royal Navy Rugby Union and its wholly owed trading subsidiary Navy Rugby Limited.

A summary of the financial activities undertaken by the Royal Navy Rugby Union, is set out below:

	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
<b>Total income</b>	613,993	622,966
<b>Expenditure</b>		
Raising funds	(25,881)	(26,924)
Charitable - Royal Navy Rugby	(313,070)	(326,365)
Charitable - Community Rugby	(189,103)	(196,662)
Net income	85,939	73,015
Total funds brought forward	492,944	419,929
<b>Total funds carried forward</b>	<u>578,883</u>	<u>492,944</u>

### 3. DONATIONS AND LEGACIES

	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
RFU Constituent Body income	23,334	31,232
	<u>23,334</u>	<u>31,232</u>



# ROYAL NAVY RUGBY UNION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 4. OTHER TRADING ACTIVITIES

	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
Army v Navy match income	1,052,590	1,031,479
Navy V RAF match income	44,175	30,466
Merchandise sales	86,647	74,686
Sponsorship	114,500	155,500
International ticket sales	83,857	55,342
Patrons scheme income	19,435	20,957
	<u>1,401,204</u>	<u>1,368,430</u>

### 5. INVESTMENT INCOME

	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
Bank interest	-	24

### 6. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 30.9.19 Royal Navy Rugby £	Year ended 30.9.19 Community Rugby £	Period 1.9.17 to 30.9.18 Total activities £
Grants	15,095	-	7,094
Community rugby course income	-	52	1,208
RFU - RDO contribution	-	14,000	14,000
	<u>15,095</u>	<u>14,052</u>	<u>22,302</u>

Grants received, included in the above, are as follows:

	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
NSSC	15,095	-
Royal Navy and Royal Marines Sports Lottery	-	7,094

# ROYAL NAVY RUGBY UNION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 7. RAISING FUNDS

Other trading activities	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
Merchandise purchases	67,899	59,331
Army v Navy match expenditure	513,894	512,256
Navy v RAF match expenditure	53,210	47,726
Marketing and hospitality	13,858	26,835
Patrons scheme costs	6,481	7,728
International ticket costs	103,854	63,156
Fulfilment and other trading costs	86,977	89,718
Support costs (see note 10)	19,400	19,196
	<u>865,573</u>	<u>825,946</u>

### 8. CHARITABLE ACTIVITIES COSTS

	Direct costs (see note 9) £	Support costs (see note 10) £	Totals £
Royal Navy Rugby	191,103	116,400	307,503
Community Rugby	<u>136,471</u>	<u>58,199</u>	<u>194,670</u>
	<u>327,574</u>	<u>174,599</u>	<u>502,173</u>

### 9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
Staff costs (see note 13)	83,409	91,057
First XV team costs	120,241	105,238
Mariners team costs	16,970	10,546
Women's team costs	20,502	13,695
Under 23 team costs	13,140	14,149
Sevens team costs	9,197	5,978
Refereeing costs	10,721	11,623
CNRC costs	-	10,949
Foreign tours	68	38,927
Community Rugby expenditure	41,646	41,140
Presidents XV costs	5,568	6,870
Bad debts	5,848	-
Stakeholder manager costs	264	73
	<u>327,574</u>	<u>350,245</u>

# ROYAL NAVY RUGBY UNION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other trading activities	18,465	935	19,400
Royal Navy Rugby	110,788	5,612	116,400
Community Rugby	55,394	2,805	58,199
	<u>184,647</u>	<u>9,352</u>	<u>193,999</u>

Activity	Basis of allocation
Management	Staff hours
Governance costs	Staff hours

Support costs, included in the above, are as follows:

**ROYAL NAVY RUGBY UNION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**10. SUPPORT COSTS- CONTINUED**

<b>Management</b>	<b>Year ended 30.9.19</b>				<b>Period 1.9.17 to 30.9.18</b>
	<b>Other trading activities</b>	<b>Royal Navy Rugby</b>	<b>Community Rugby</b>	<b>Total activities</b>	<b>Total activities</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages (see note 13)	7,017	42,103	21,051	70,171	47,573
Social security (see note 13)	464	2,785	1,393	4,642	797
Pensions (see note 13)	490	2,941	1,471	4,902	2,782
Motor and travel expenses	1,340	8,041	4,020	13,401	16,946
General insurance	(25)	(154)	(77)	(256)	4,053
Telephone	409	2,451	1,225	4,085	7,047
Postage, stationery and other costs	722	4,334	2,167	7,223	5,352
Executive expenses	202	1,212	606	2,020	1,127
Director of Rugby expenses	316	1,898	949	3,163	5,735
Management accounts	1,200	7,200	3,600	12,000	10,500
Bank charges	201	1,205	603	2,009	2,169
Communications	4,921	29,522	14,761	49,204	54,933
Donations	691	4,148	2,074	6,913	3,621
Depreciation	517	3,102	1,551	5,170	5,402
	<u>18,465</u>	<u>110,788</u>	<u>55,394</u>	<u>184,647</u>	<u>168,037</u>

<b>Governance costs</b>	<b>Year ended 30.9.19</b>				<b>Period 1.9.17 to 30.9.18</b>
	<b>Other trading activities</b>	<b>Royal Navy Rugby</b>	<b>Community Rugby</b>	<b>Total activities</b>	<b>Total activities</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Auditor's remuneration	440	2,640	1,320	4,400	4,290
Legal and professional fees	398	2,389	1,194	3,981	18,673
Other governance costs	97	583	291	971	978
	<u>935</u>	<u>5,612</u>	<u>2,805</u>	<u>9,352</u>	<u>23,941</u>

# ROYAL NAVY RUGBY UNION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 11. NET INCOME/(EXPENDITURE)

	Year ended 30.9.19	Period 1.9.17 to 30.9.18
Auditors' remuneration - RNRU	4,400	4,290
Auditors' remuneration - NRL	3,146	3,611
Depreciation - owned assets	5,170	5,402
	<u>          </u>	<u>          </u>

### 12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 September 2019 nor for the period ended 30 September 2018.

#### Trustees' expenses

During the year one trustee was reimbursed expenses by the charity for travel, subsistence and training totalling £576 (30.9.18: one trustee £460).

### 13. STAFF COSTS

	Year ended 30.9.19 £	Period 1.9.17 to 30.9.18 £
Wages and salaries	143,324	126,025
Social security costs	9,719	7,911
Other pension costs	10,081	8,273
	<u>          </u>	<u>          </u>
	163,124	142,209

The average monthly number of employees during the year was as follows:

	Year ended 30.9.19	Period 1.9.17 to 30.9.18
Charitable staff	4	3¼
Support staff	2	2
	<u>          </u>	<u>          </u>
	6	5¼

No employees received emoluments in excess of £60,000.

# ROYAL NAVY RUGBY UNION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
<b>INCOME AND ENDOWMENTS FROM</b>	
Donations and legacies	31,232
<b>Charitable activities</b>	
Royal Navy Rugby	7094
Community Rugby	15,208
Other trading activities	1,368,430
Investment income	24
<b>Total</b>	<b>1,421,988</b>
<b>EXPENDITURE ON</b>	
Raising funds	825,946
<b>Charitable activities</b>	
Royal Navy Rugby	326,365
Community Rugby	196,662
<b>Total</b>	<b>1,348,973</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>73,015</b>
<b>Total funds brought forward</b>	<b>419,930</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>492,945</b>

### 15. INTANGIBLE FIXED ASSETS - GROUP AND CHARITY

	Website £
<b>COST</b>	
At 1 October 2018 and 30 September 2019	9,672
<b>AMORTISATION</b>	
At 1 October 2018 and 30 September 2019	9,672
<b>NET BOOK VALUE</b>	
At 30 September 2019	-
At 30 September 2018	-

**ROYAL NAVY RUGBY UNION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**16. TANGIBLE FIXED ASSETS - GROUP AND CHARITY**

	Player training equipment £	Motor vehicles and cycles £	Medical equipment £	Totals £
<b>COST</b>				
At 1 October 2018	14,974	15,895	1,380	32,249
Additions	-	-	2,204	2,204
Disposals	-	-	-	-
At 30 September 2019	<u>14,974</u>	<u>15,895</u>	<u>3,584</u>	<u>34,453</u>
<b>DEPRECIATION</b>				
At 1 October 2018	10,117	7,553	1,380	19,050
Charge for year	2,498	2,672	-	5,170
Eliminated on disposal	-	-	-	-
At 30 September 2019	<u>12,615</u>	<u>10,225</u>	<u>1,380</u>	<u>24,220</u>
<b>NET BOOK VALUE</b>				
At 30 September 2019	<u>2,359</u>	<u>5,670</u>	<u>2,204</u>	<u>10,233</u>
At 30 September 2018	<u>4,857</u>	<u>8,342</u>	<u>-</u>	<u>13,199</u>

**17. FIXED ASSET INVESTMENTS - CHARITY ONLY**

	Share in Group undertakings £
<b>MARKET VALUE</b>	
At 1 October 2018 and 30 September 2019	<u>100,000</u>
<b>NET BOOK VALUE</b>	
At 30 September 2019	<u>100,000</u>
At 30 September 2018	<u>-</u>

This represents 100,000 £1 shares in the charity's wholly owned subsidiary, Navy Rugby Limited (Company number: 10259113).

**ROYAL NAVY RUGBY UNION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**18. STOCK**

	Group 30.9.19 £	Group 30.9.18 £	Charity 30.9.19 £	Charity 30.9.18 £
Merchandise stock	<u>50,212</u>	<u>28,905</u>	<u>-</u>	<u>-</u>

**19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 30.9.19 £	Group 30.9.18 £	Charity 30.9.19 £	Charity 30.9.18 £
Trade debtors	7,139	45,968	35	18,711
Other debtors	<u>84,514</u>	<u>112,133</u>	<u>551,306</u>	<u>562,785</u>
	<u>91,653</u>	<u>158,101</u>	<u>551,341</u>	<u>581,496</u>

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group 30.9.19 £	Group 30.9.18 £	Charity 30.9.19 £	Charity 30.9.18 £
Trade creditors	12,449	27,065	5,718	13,201
PAYE and national insurance	4,043	5,092	4,043	5,092
Other creditors	70,350	16,941	121,749	307,187
Deferred income (see below)	<u>17,928</u>	<u>26,763</u>	<u>17,928</u>	<u>-</u>
	<u>104,770</u>	<u>75,861</u>	<u>149,438</u>	<u>325,480</u>

**Deferred income**

Deferred income in the current year relates to RFU constituent body income relating to a future financial period. In the previous year deferred income related to ticket sales for international matches in future periods.

	Group 30.9.19 £	Group 30.9.18 £	Charity 30.9.19 £	Charity 30.9.18 £
Balance brought forward	26,763	15,030	6,948	6,948
Amount released to incoming resources	(26,763)	(15,030)	(6,948)	(6,948)
Amount deferred in the period	<u>17,928</u>	<u>26,763</u>	<u>17,928</u>	<u>-</u>
Balance carried forward	<u>17,928</u>	<u>26,763</u>	<u>17,928</u>	<u>-</u>



# ROYAL NAVY RUGBY UNION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS- CONTINUED FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 21. MOVEMENT IN FUNDS CHARITY ONLY

	At 1.10.18	Net movement in funds	Transfer between funds	At 30.9.19
	£	£	£	£
<b>Unrestricted funds</b>				
General fund	460,084	85,939	(17,000)	529,023
CNRC	21,551	-	-	21,551
Overseas tours	11,309	-	7,000	18,309
IDRC	-	-	10,000	10,000
	<u>492,944</u>	<u>85,939</u>	<u>-</u>	<u>578,883</u>
<b>TOTAL FUNDS</b>	<u>492,944</u>	<u>85,939</u>	<u>-</u>	<u>578,883</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	613,993	(528,054)	85,939
CNRC	-	-	-
Overseas tours	-	-	-
IDRC	-	-	-
	<u>613,993</u>	<u>(528,054)</u>	<u>85,939</u>
<b>TOTAL FUNDS</b>	<u>613,993</u>	<u>(528,054)</u>	<u>85,939</u>

### 22. RELATED PARTY DISCLOSURES

There were no related party transactions for the period ended 30 September 2019 (30.09.18: None).

### 23. ULTIMATE CONTROLLING PARTY

The charity is controlled by its board of trustees acting in concert.

### 24. SHARE CAPITAL AND LIABILITY OF MEMBERS

The charitable company is a company limited by guarantee and its members have undertaken to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1.